

27. OTHER COMPREHENSIVE INCOME

(a) Reserves

The Group	Revaluation	Fair value	Hedging	Translation	Other	Actuarial	Share	Total
	Surplus		Reserve	of Foreign	Reserves	Reserves	appreciation	
	MUR '000	MUR '000	MUR '000	Operations	MUR '000	MUR '000	rights	
							scheme	MUR '000
Balance at 1 July 2021	4,480,149	121,781	(263,260)	66,945	259,348	(324,144)	472	4,341,291
Other comprehensive income for the year	899,332	20,347	325,904	(4,330)	-	(9,750)	-	1,231,503
Employee share option scheme	-	-	-	-	-	-	(472)	(472)
Reclassification of revaluation reserve on transfer of property, plant and equipment to investment property	(243,653)	-	-	-	-	-	-	(243,653)
Disposal of assets classified as held for sale	-	-	-	51,616	-	-	-	51,616
Movement on banking reserve (Note (i))	(6,665)	-	-	-	69,714	-	-	63,049
Balance at 30 June 2022	5,129,163	142,128	62,644	114,231	329,062	(333,894)	-	5,443,334
Balance at 1 July 2020	3,813,366	53,989	(62,598)	(135,042)	259,348	(391,369)	5,268	3,542,962
Other comprehensive income for the year	560,645	67,792	(200,662)	201,987	-	67,225	-	696,987
Issue of shares	-	-	-	-	-	-	(4,796)	(4,796)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings (Note (ii))	65,978	-	-	-	-	-	-	65,978
Other movements	40,160	-	-	-	-	-	-	40,160
Balance at 30 June 2021	4,480,149	121,781	(263,260)	66,945	259,348	(324,144)	472	4,341,291

Movements are mainly made up of:

- (i) Statutory reserve, which comprises the accumulated annual transfer of 15% of the net profit for the year in line with Article 41 of Ordinance n° 88-005 dated 15th April 1988 pertaining to the regulations applicable to the banking sector in Madagascar. Movements in the General Banking Reserve is at the discretion of BNI Madagascar, and the shareholders choose to increase the reserve by the profit for the year net of dividends payable and the amount transferred to statutory reserve.
- (ii) Movement of MUR 65M relates to transfer of revaluation losses from revaluation reserve to retained earnings on disposal of an associate.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022 (CONT'D)

27. OTHER COMPREHENSIVE INCOME (CONT'D)

The Group

(i) Revaluation surplus

The revaluation surplus relates to the revaluation of property.

(ii) Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income (FVOCI) that has been recognised in other comprehensive income until investments are derecognised or impaired.

(iii) Hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

(iv) Translation of foreign operations

The translation reserve comprises all foreign currency difference arising for the translation of the financial statements of foreign operation.

(v) Other reserves

Other reserves comprise of the banking reserve which comprise provisions in line with the Bank of Mauritius macroprudential guidelines.

(vi) Actuarial gains/(losses)

The actuarial gains/(losses) reserve represents the cumulative remeasurement of defined benefit obligation recognised.

(vi) Actuarial gains/(losses)

The Company	Fair Value Reserve	Fair Value Reserve
	2022	2021
	MUR '000	MUR '000
Fair value adjustment	5,427,916	5,419,624

(i) Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income (FVOCI) that has been recognised in other comprehensive income until investments are derecognised or impaired.

27. OTHER COMPREHENSIVE INCOME (CONT'D)

(b) Convertible bonds

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
At 1 July	2,264,792	-
Additions	550,000	2,275,000
Front-end fee paid	(2,400)	(12,300)
Front-end fee transferred to prepayment	-	3,600
Legal fees	-	(1,508)
At 30 June	2,812,392	2,264,792

During the year, SUN Group received additional tranches of MUR 550M from the committed Mauritius Investment Corporation Ltd ("MIC"), funding of MUR 3.1Bn comprising of 310 bonds of MUR 10M each.

One of the main objectives of the MIC is to provide financial support to companies impacted by the Covid-19 pandemic and in particular to the tourism sector which has been impacted the most due to the full border closure. The MIC support is in the form of redeemable convertible bonds to companies which require urgent working capital to sustain their viability.

Key terms and conditions of the funding arrangements are as follows:

- The bonds shall be issued in four equal tranches.

The maturity date is 9 years from first disbursement of the first tranche of the subscription proceeds, that is, on 14 December 2029.

- The conversion rate has been pre-determined prior to the subscription.
- All outstanding bonds will be converted into ordinary shares at a pre-agreed rate and price on maturity date.
- The interest rates range between 3.00% to 3.25% p.a. over the duration of the bonds (from issue date to the earlier of the redemption date or the conversion date). The interest is payable on the last day of each interest period. On maturity date, any unpaid capital and interest is converted into ordinary shares in accordance with the predetermined conversion price.
- The conversion price is subject to certain adjustments such as capitalisation of profit or reserves, capital distribution, rights issues, share split, amongst others.
- Redemption of the bonds shall be at the option of the issuer. The issuer may redeem some or all the bonds, any time prior to the maturity date. The option price shall be determined as follows:
 - if redemption happens before the 4th anniversary of the first subscription, the redemption price shall be the nominal amount,
 - if redemption happens after the 4th anniversary of the first subscription, the redemption amount shall be 100.5% of the nominal amount.